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DIVISION OF
OIL, GAS AND MINING

April 2, 2002

D. Wayne Hedburg
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Response to UDOGM letter dated March 18, 2002; Escalante Silver Mine, UDOGM file no. M/021/004

Dear Mr. Hedburg:

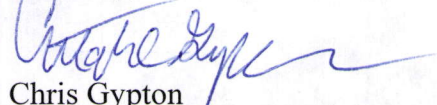
This is an update on our phone conversation of March 21, 2002, regarding the above noted letter, and addresses the status of the five issues:

1. I spoke with Joe Incardine of the BLM Land and Realty office yesterday. He believes the BLM/State Trust Land Administration dispute will be resolved by the end of April 2002. I intend to follow-up with him at the end of the month. At this time we do not know what paperwork, if any, Hecla will have to process to ensure that the title has been properly transferred.
2. We are in the process of retaining a contractor to re-grade and topsoil the waste rock pile. I am scheduling a pre-award meeting with the contractor on site, towards the end of April, to confirm the scope and verify the quantity of remaining stockpiled topsoil. While we acknowledge you would like this work done as soon as possible, my prior commitments on other projects may dictate the work being done in the fall. I will confirm the actual schedule after my meeting with the contractor.
3. As of this date, I cannot confirm the status of the waste material noted in the thickener tank. Our sales agreement with Dixie Cable stipulates the clean-up of the mill is their responsibility, which they have confirmed in the past, both verbally and in writing. Hecla is in the process of determining its legal options to compel Dixie Cable to comply with the terms of the agreement.
4. The access road to the tailings impoundment must remain intact until the end of the ground water monitoring period in 2010. Our final ground water sampling event will be no later than June 2010, so the earliest this road can be reclaimed is fall of that year. Therefore, confirming your statement, the reclamation and monitoring requirements will remain under the surety until they are completed.
5. We have not made a formal counter offer to the BLM's August 27, 2001 letter. This will be addressed before the end of April 2002.

Hecla cannot guarantee issues 1 and 3 will be resolved to your satisfaction by May 17, 2002, since they involve third parties. As was noted above, issue 2 will be resolved in a timeframe that makes the most sense for Hecla from an economic, resource availability and technical standpoint. Therefore, we request that you set aside the 60 day deadline specified in your letter.

If you have any questions or need clarification, please contact me at (208) 769-4135 or e-mail: cgypton@hecla-mining.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Gypton", with a long, sweeping horizontal line extending to the right.

Chris Gypton
Project Manager